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**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 10/662,776	<b>Applicant(s)</b> RIEDL ET AL.
	<b>Examiner</b> Adam Chernesky	<b>Art Unit</b> 4127

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If no period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED. (35 U.S.C. § 133).

Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

1) Responsive to communication(s) filed on 01/17/2008.

2a) This action is FINAL.      2b) This action is non-final.

3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

4) Claim(s) 1-109 is/are pending in the application.

4a) Of the above claim(s) 54-109 is/are withdrawn from consideration.

5) Claim(s) \_\_\_\_\_ is/are allowed.

6) Claim(s) 1-53 is/are rejected.

7) Claim(s) \_\_\_\_\_ is/are objected to.

8) Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

9) The specification is objected to by the Examiner.

10) The drawing(s) filed on 15 September 2003 is/are: a) accepted or b) objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a) All    b) Some \* c) None of:  
 1. Certified copies of the priority documents have been received.  
 2. Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

1) Notice of References Cited (PTO-892)  
 2) Notice of Draftsperson's Patent Drawing Review (PTO-948)  
 3) Information Disclosure Statement(s) (PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_

4) Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_

5) Notice of Informal Patent Application  
 6) Other: \_\_\_\_\_

### **DETAILED ACTION**

Applicant's response has been received. The following is a non-final, first office action on the merits. Claims 1-53 are pending.

#### ***Election/Restrictions***

1. Applicant's election without traverse of claims 1-53 in the reply filed on 01/17/2008 is acknowledged.
2. Claims 54-109 withdrawn from further consideration pursuant to 37 CFR 1.142(b) as being drawn to a nonelected Method for delivering both recorded and live programming and advertising via indexing to a user (group III), there being no allowable generic or linking claim. Election was made **without** traverse in the reply filed on 01/17/2008.

#### ***Drawings***

3. The drawings are objected to as failing to comply with 37 CFR 1.84(p)(4) because reference characters "114" and "134" have both been used to designate the NDVR control center in figure 1. Corrected drawing sheets in compliance with 37 CFR 1.121(d) are required in reply to the Office action to avoid abandonment of the application. Any amended replacement drawing sheet should include all of the figures appearing on the immediate prior version of the sheet, even if only one figure is being amended. Each drawing sheet submitted after the filing date of an application must be labeled in the top margin as either "Replacement Sheet" or "New Sheet" pursuant to 37 CFR 1.121(d). If the changes are not accepted by the examiner, the applicant will be

notified and informed of any required corrective action in the next Office action. The objection to the drawings will not be held in abeyance.

***Specification***

4. The disclosure is objected to because it contains an embedded hyperlink and/or other form of browser-executable code. Applicant is required to delete the embedded hyperlink and/or other form of browser-executable code. See MPEP § 608.01.
5. The disclosure is objected to because of the following informalities: since figure 1 of the drawings contains double labeling, changes to the drawings will require corresponding changes to the specification.

Appropriate correction is required.

***Claim Objections***

6. Claims 14, 22, and 23 are objected to because of the following informalities: Claim 14 references itself via "The system of claim 14". For the purpose of prosecution, claim 14 will be assumed to reference claim 13. Appropriate correction is required.

Claim 22 omits the word "of" in the following statement "The system claim 21".

Claim 23 is missing the article "to" between the ADM and the ADS via "... wherein the ADM transmits a request the ADS ..."

Appropriate correction is required.

***Claim Rejections - 35 USC § 112***

7. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

**8. Claims 14-18, 20-23, 32, 41, 42, 45-49 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.**

Claim 14 recites the limitation "the system of claim 14" in line 1. There is insufficient antecedent basis for this limitation in the claim.

Claim 16 recites the limitation "the group" in line 2. There is insufficient antecedent basis for this limitation in the claim.

Claim 17 recites the limitation "the ADM" in line 2. There is insufficient antecedent basis for this limitation in the claim.

Claim 18 recites the limitation "the ADM" in line 1. There is insufficient antecedent basis for this limitation in the claim.

Claim 20 recites the limitation "the ADM" in line 2. There is insufficient antecedent basis for this limitation in the claim.

Claim 21 recites the limitation "the ADM" in line 1. There is insufficient antecedent basis for this limitation in the claim.

Claim 22 recites the limitation "the ADM" in line 1. There is insufficient antecedent basis for this limitation in the claim.

Claim 23 recites the limitation "the ADM" in line 1. There is insufficient antecedent basis for this limitation in the claim.

Claim 32 recites the limitation "the set" in line 2. There is insufficient antecedent basis for this limitation in the claim.

Claim 41 recites the limitation "the set" in line 1. There is insufficient antecedent basis for this limitation in the claim.

Claim 42 recites the limitation "the ADM" in lines 2 and 4. There is insufficient antecedent basis for this limitation in the claim.

Claim 45 recites the limitation "the basis" in line 6. There is insufficient antecedent basis for this limitation in the claim.

Claim 49 recites the limitation "the basis" in line 11. There is insufficient antecedent basis for this limitation in the claim.

Claims 15 and 46-48 are also rejected because they carry the same deficiency of the parent claims.

Based on definitions in the specification (applicant as lexicographer MPEP 2111.02 IV, and *In re Paulsen*, 30 F.3d 1475, 1480, 31 USPQ2d 1671, 1674 (Fed. Cir. 1994)), both the AMS and the ADM are defined as being the advertisement management system (pg. line 1 for AMS and pg. 12 line 22 for ADM in the specification). For purpose of prosecution, Examiner will consider both acronyms to be equivalent.

***Claim Rejections - 35 USC § 102***

9. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

**10. Claims 1-15, 17, 19, 20, 21, 24-27, 34-36, 50, 51 are rejected under 35 U.S.C. 102(b) as being anticipated by Hooks et al. (US 6169542 B1).**

As per claim 1, Hooks et al. discloses a system for creating a program for delivery to a client in a video time shifting architecture (col. 3 line 64 via an editing facility 28), the system comprising:

an advertisement selection system (ADS) operative to select one or more advertisements and transmit one or more identifiers that uniquely identify the selected advertisements (col. 4 lines 9-11 via editing facility 28 generates advertisements or receives pre-recorded advertisements which are inserted into the original program);

an advertisement management system (AMS) operative to generate a playlist that identifies content, including a user requested time shifted program and the one or more selected advertisements (col. 2 lines 37-50 and figure 1 via transmitting an advertisement to an interactive video subscriber unit in connection with an interactive video program and receiving, at the head end facility over a return path, a request to register the advertisement in a menu); and

a video server operative to interpret the playlist and deliver the content to the user (col. 7 lines 5-15 and figure 1 via video server 60 multiplexes audio/video channel 76 and processor 74 data output with other optional video inputs, typically through modulation into different frequency bands, and outputs a broadband signal to video distribution medium 56).

**As per claim 2,** Hooks et al. discloses wherein the AMS generates a playlist that identifies a given one of the one or more selected advertisements as a bumper advertisement for delivery by the video server prior to the user requested program (col. 7 lines 16-22 and figures 1 and 2 via audio-to-data decoder 72 recognizes the audio tones recorded on synchronization channel 44 and generates the corresponding ASCII data codes 38 and couples to processor 74).

**As per claim 3,** Hooks et al. discloses wherein the AMS generates a playlist that identifies a given one of the one or more selected advertisements as a pause teaser advertisement for delivery by the video server upon receipt of a pause control command (col. 5 lines 51-57 and figures 1, 2, and 3, via when medium 30 is played from its beginning, program-specific data 50 are read and stored in a head end facility processor (discussed below) before full-motion program 36 begins).

**As per claim 4,** Hooks et al. discloses wherein the AMS generates a playlist that identifies a given one of the one or more selected advertisements as a pause advertisement for delivery by the video server upon receipt of a pause advertisement control command (col. 8 lines 62-63 and figure 4 via a logo 108 identifies first advertisement 40 as an interactive advertisement).

**As per claim 5**, Hooks et al. discloses wherein the playlist is indexed according to Normal Play Time (NPT) (applicant defines normal play time in specification pg. 8 lines 7-18 as markers to delimit content within the playlist as per col. 4 lines 54-65 and figures 2 and 3 via coordination between a full-motion program 36 recorded on recording medium 30 and exemplary ASCII data codes 38 also recorded on recording medium 30 to mark where advertisements are inserted at predetermined time periods).

**As per claim 6**, Hooks et al. discloses wherein the video server is operative to receive a pause control command from a client, mark the location in the playlist that corresponds to a point in time when the video server receives the pause command and advance to an advertisement in the playlist (col. 11 lines 8-17 and figures 6 and 8 via advertisement identifiers for a number of advertisements that were registered in menu database 79).

**As per claim 7**, Hooks et al. discloses wherein the client displays a pause video still overlay upon transmission of a pause control command (col. 9 lines 5-8 and figure 4 via the subscriber creates a registration request, for example, by pressing a color coded key on subscriber interface 96 or by pressing another designated key or keys on subscriber interface 96).

**As per claim 8**, Hooks et al. discloses wherein the pause video still overlay comprises operating instructions (col. 11 lines 53-65 and figure 9 via interactive menu 150 includes an intrasystem link (MORE INFO) entry 152, a purchase option (PLACE ORDER) entry 154, a hyperlink (VISIT WEB SITE) entry 156, a delete advertisement from menu entry 158, and a return to advertisement menu entry 160).

**As per claim 9,** Hooks et al. discloses wherein the video server advances to a pause teaser advertisement in the playlist and begins delivery of the pause teaser advertisement (col. 10 lines 57-63 and figures 1, 4 and 7, via the video still image is then communicated from video server 60 through video distribution medium 56 to set-top box 94).

**As per claim 10,** Hooks et al. discloses delivering the pause teaser advertisement to the client for display (col. 10 lines 57-63 and figures 1, 4 and 7, via the video still image is then communicated from video server 60 through video distribution medium 56 to set-top box 94).

**As per claim 11,** Hooks et al. discloses wherein the video server returns to the location in the playlist that corresponds to a point in time when the video server receives the pause command and commences delivery of the user requested program (col. 8 lines 47-53 and figures 1 and 5 via following the successful completion of task 102 (initiate interactive video programming), head end facility 54 proceeds to transmit full-motion program 36 through video server 60 to interactive video subscriber unit 22').

**As per claim 12,** Hooks et al. discloses wherein the video server advances to and begins delivery of a pause advertisement in response to receipt of a pause advertisement control command (col. 2 lines 51-63 and figures 1 and 5, via a head end facility configured to transmit an advertisement in connection with an interactive video program and receive a request from one of the subscriber units to register the advertisement in a menu).

**As per claim 13**, Hooks et al. discloses wherein the ADS is operative to select one or more advertisements according to a targeting algorithm (col. 4 lines 9-12 via editing facility 28 generates advertisements or receives pre-recorded advertisements).

**As per claim 14**, Hooks et al. discloses wherein the targeting algorithm operates on the basis of aggregate viewing information (col. 2 lines 51-63 and figures 5 and 8 via a head end facility configured to transmit an advertisement in connection with an interactive video program and receive a request from one of the subscriber units to register the advertisement in a menu).

**As per claim 15**, Hooks et al. discloses wherein the ADS comprises a connection to an external targeting system (col. 12 lines 59-65 and figures 1 and 7 via task 174 causes processor 74 to invoke web browser 90 from memory 78 to access a first web site 176 related to commercial enterprise 86).

**As per claim 17**, Hooks et al. discloses wherein the ADS transmits advertisements and advertisement metadata to the ADM for storage in a content storage device (col. 3 lines 63-67 through col. 4 lines 1-8 and figure 1 via the editing facility 28 produces programs on recordable media such as video cassette recorder (VCR) tape for use on the VCRs at the head end unit 54).

**As per claim 19**, Hooks et al. discloses wherein the video server receives control commands from the user (col. 9 lines 9-19 and figures 1, 4, and 5, via the registration request is forwarded through set-top box 94 over video distribution medium 56 and through video server 60 to an input 107 of processor 74).

**As per claim 20**, Hooks et al. discloses wherein the video server requests a new playlist from the ADM upon receipt of a new program initiation command from the user (col. 10 lines 57-63 and figures 1 and 7 via task 132 causes processor 74 to provide a video still image to the digital media server element of video server 60).

**As per claim 21**, Hooks et al. discloses wherein the ADM determines whether the user is requesting a program with expired local advertising (col. 9 lines 39-52 and figures 1, 5, 6 and 7, via entries to menu database 79 are added and removed in response to requests from any of interactive video subscriber units 22).

**As per claim 24**, Hooks et al. discloses a method for delivering local advertising to a client in a video distribution system (col. 1 lines 6-10 via delivering advertising through an interactive video distribution system), the method comprising:

performing an action that invokes a request for a program (col. 2 lines 41-43 via receiving, at the head end facility over a return path, a request to register the advertisement in a menu);

collecting information regarding the request (col. 2 lines 33-35 via obtaining supplementary advertising information through a viewer's television in connection with interactive video programming);

generating a playlist utilizing a correctly zoned local advertisement and the requested program (col. 2 lines 44-45 via generating an entry for the advertisement in the menu); and

delivering the local advertising and program to a client for decoding and playback (col. 2 lines 39-41 via transmitting an advertisement to an interactive video subscriber unit in connection with an interactive video program).

**As per claim 25**, Hooks et al. discloses wherein collecting information comprises collecting client information (col. 9 lines 41-42 via menu database 79 includes menus 92 associated with interactive video subscriber units 22).

**As per claim 26**, Hooks et al. discloses wherein collecting information comprises collecting program information (col. 9 lines 44-46 via entries to menu database 79 are added and removed in response to requests from any of interactive video subscriber units 22).

**As per claim 27**, Hooks et al. discloses wherein the client performs an action that invokes the request (col. 9 lines 46-48 via each of menus 92 is customized for the specific subscriber in response to the subscriber's registration requests).

**As per claim 34**, Hooks et al. discloses a system for delivering local advertising to a client in a video distribution system (col. 1 lines 9-10 via delivering advertising through an interactive video distribution system), the system comprising:

a client device operative to perform an action that invokes a request for a program (col. 8 lines 36-39 via a sign-on request by one of interactive video subscriber units 22 signifies that the subscriber wishes to participate in an upcoming interactive full-motion program);

an advertisement management system (AMS) operative to collect information regarding the request and generate a playlist utilizing a correctly zoned local advertisement and the requested program (col. 8 lines 40-43 via head end facility 54 may, for example, provide a list of ID's for programs that are scheduled to be broadcast and perform additional functions);

and a video server operative to receive the playlist and deliver the local advertisement and program to the client for decoding and playback (col. 8 lines 48-50 and figure 1 via full-motion program 36 is transmitted from video server 60 of head end facility 54 to interactive video subscriber unit 22').

**As per claim 35,** Hooks et al. discloses wherein the AMS is operative to collect information regarding the requesting client (col. 9 lines 39-52 and figures 1 and 6 via entries to menu database 79 are added and removed in response to requests from any of interactive video subscriber units 22).

**As per claim 36,** Hooks et al. discloses wherein the AMS is operative to collect information regarding the requested program (col. 7 lines 47-49 and figure 1 via memory 78 includes a database 79 of menus 92, where one each of menus 92 is associated with one each of interactive video subscriber units 22).

**As per claim 42,** Hooks et al. discloses the ADM determining if a given correctly zoned local advertisement has expired; and

if the correctly zoned local advertisement has expired, the ADM generating a playlist utilizing a replacement local advertisement and the requested program (col. 9 lines 44-46 via entries to menu database 79 are added and removed in response to requests from any of interactive video subscriber units 22).

**As per claim 50**, Hooks et al. discloses a method for delivering local advertising to a client in a video distribution system (col. 1 lines 9-10 via delivering advertising through an interactive video distribution system), the method comprising:

receiving a playlist identifying programming and advertising information (col. 3 lines 64-66 and figures 1, 2 and 3 via through editing facility 28, a synchronizing channel is added to the program, and the edited program is recorded on a recording medium 30 and col. 6 lines 50-52 via after medium 30 has been prepared, it may be stored until needed by a head end facility 54 of interactive video distribution system 20);

transmitting video data identified in the playlist to a client operative to decode and display the video data (col. 2 lines 39-40 and figure 1 via transmitting an advertisement to an interactive video subscriber unit in connection with an interactive video program);

receiving a control command from the client (col. 9 lines 9-13 and figures 1, 4 and 5 via in response to task 104, an event task 106 causes head end facility 54 to determine if a registration request is received from set-top box 94 of interactive video subscriber unit 22');

modifying the playlist in accordance with the control command (col. 9 lines 20-26 and figures 1, 4 and 5 via event task 106 determines that a request to register first advertisement 40 is received, a task 110 is performed, which causes processor 74 of head end facility 54 to provide a message to set-top box 94 for display on television screen 98 that indicates receipt of the registration request); and

transmitting video data identified in the modified playlist to the client (col. 2 lines 44-47 via generating an entry for the advertisement in the menu, communicating to the subscriber unit, the menu in a video still image, and obtaining, at the head end facility over the return path, a selection request for the entry).

**As per claim 51**, Hooks et al. discloses wherein modifying comprises updating the advertising information identified in the playlist (col. 4 lines 9-12 via editing facility 28 generates advertisements or receives pre-recorded advertisements which are inserted into the original program during predetermined breaks in the original program).

***Claim Rejections - 35 USC § 103***

11. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

12. **Claim 16 is rejected under 35 U.S.C. 103(a) as being unpatentable over Hooks et al. (US 6169542 B1) in view of Nathaniel (US 20030130887 A1) and further in view of Zizzamia et al. (US 20020161609 A1).**

**As per claim 16**, Hooks et al. discloses all the elements of the claimed invention as described in claim 14, but is silent wherein the external targeting system is selected from the group comprising a PRIZM system and an AXCIOM system.

Nathaniel teaches on pg. 3 par. 23 lines 33-34 that network data on impressions and click-throughs can be estimated based on zip code based data from Claritas Prizm codes.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the interactive video distribution system of Hooks et al. to include the combined system and method for scheduling the delivery of targeted content to network devices of Nathaniel in order to schedule delivery of targeted content to network devices in an optimal manner that is flexible and can be fine-tuned on the fly (pg. 1 par. 6 lines 1-4).

Zizzamia et al. teaches on pg. 4 par. 37 lines 1-3 that external data sources also include business owner household level demographics from data providers such as Axciom or INFO-USA

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the combined system and method of Hooks and Nathaniel to include the system and method for predicting the profitability of insurance coverage of Zizzamia et al. in order to use external data sources to provide higher demographic accuracy (pg. 1 par. 11 lines 2-5).

**13. Claims 18, 22, and 23 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hooks et al. (US 6169542 B1) in view of Eldering et al. (US 20020087980 A1).**

As per claim 18, Hooks et al. discloses all the elements of the claimed invention as described in claim 17, but is silent wherein the ADM transmits an acknowledgement to the ADS upon receipt of the advertisement and advertisement metadata.

Eldering et al. teaches on pg. 5 par. 51 lines 1-10 and in figure 4 that the AMS 100 announces the opportunities relating to groups of subavails to various advertisers/ad sources 120.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the interactive video distribution system of Hooks et al. to include the method and system for creating one or more advertising avail sections of Eldering et al. in order to provide a method and system for creating groups of avail sections which are manageable (pg. 1 par. 9 lines 9-10).

As per claim 22, Hooks et al. discloses all the elements of the claimed invention as described in claim 21, but is silent wherein the ADM transmits a request to the ADS to select one or more advertisements for replacement of expired local advertising within the playlist.

Eldering et al. teaches on pg. 5 par. 51 lines 1-10 and in figure 4 that the AMS 100 announces the opportunities relating to groups of subavails to various advertisers/ad sources 120.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the interactive video distribution system of Hooks et al. to include the method and system for creating one or more advertising avail sections of Eldering et al. in order to provide a method and system for creating groups of avail sections which are manageable (pg. 1 par. 9 lines 9-10).

**As per claim 23**, Hooks et al. discloses all the elements of the claimed invention as described in claim 20, but is silent wherein the ADM transmits a request the ADS to select one or more local advertisements included in the program as originally broadcast.

Eldering et al. teaches on pg. 5 par. 51 lines 1-10 and in figure 4 that the AMS 100 announces the opportunities relating to groups of subavails to various advertisers/ad sources 120.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the interactive video distribution system of Hooks et al. to include the method and system for creating one or more advertising avail sections of Eldering et al. in order to provide a method and system for creating groups of avail sections which are manageable (pg. 1 par. 9 lines 9-10).

**14. Claims 28-31, 33 , 37-41, 43-49, 52 and 53 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hooks et al. (US 6169542 B1) in view of Cowan et al. (US 6941573 B1).**

**As per claim 28**, Hooks et al. discloses all the elements of the claimed invention as described in claim 24, but is silent about recording one copy of a given program for each local advertising zone that the video distribution system services.

Cowan et al. teaches in the abstract lines 1-3 a cable television distribution system in which the head end substitutes different channels for a plurality of separated geographic zones.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the interactive video distribution system of Hooks et al. to include the Television distribution system for signal substitution of Cowan et al. in order to provide a market research signal substitution system which accurately represents the demographics of the community being served and which avoids the problems, costs and user resistance of an individually addressed arrangement (col. 2 lines 12-16).

**As per claim 29,** Hooks et al. discloses all the elements of the claimed invention as described in claim 28, but is silent about segmenting local advertising out of each program copy and marking each segmented program copy with a zone identifier.

Cowan et al. teaches in the abstract lines 1-3 a cable television distribution system in which the head end substitutes different channels for a plurality of separated geographic zones.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the interactive video distribution system of Hooks et al. to include the Television distribution system for signal substitution of Cowan et al. in order to provide a market research signal substitution system which accurately represents the demographics of the community being served and which avoids the problems, costs and user resistance of an individually addressed arrangement (col. 2 lines 12-16).

**As per claim 30,** Hooks et al. discloses all the elements of the claimed invention as described in claim 29, but is silent wherein collecting information comprises collecting a zone identifier for the zone from which the request originates.

Cowan et al. teaches in the abstract lines 1-3 a cable television distribution system in which the head end substitutes different channels for a plurality of separated geographic zones.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the interactive video distribution system of Hooks et al. to include the Television distribution system for signal substitution of Cowan et al. in order to provide a market research signal substitution system which accurately represents the demographics of the community being served and which avoids the problems, costs and user resistance of an individually addressed arrangement (col. 2 lines 12-16).

**As per claim 31,** Hooks et al. discloses all the elements of the claimed invention as described in claim 28, but is silent wherein segmenting is performed by identifying indicators for local advertising.

Cowan et al. teaches in the abstract lines 1-3 a cable television distribution system in which the head end substitutes different channels for a plurality of separated geographic zones.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the interactive video distribution system of Hooks et al. to include the Television distribution system for signal substitution of Cowan et al. in order to provide a market research signal substitution system which accurately represents the demographics of the community being served and which avoids the problems, costs and user resistance of an individually addressed arrangement (col. 2 lines 12-16).

**As per claim 33**, Hooks et al. discloses all the elements of the claimed invention as described in claim 24, but is silent determining if a given correctly zoned local advertisement has expired; and if the correctly zoned local advertisement has expired, generating a playlist utilizing a replacement local advertisement and the requested program.

Cowan et al. teaches in col. 4 lines 35-40 that substitute advertising can then be determined by comparing consumer purchase data collected from selected stores associated with zones receiving the substitute advertising with consumer data collected from selected stores associated with zones receiving normal advertising.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the interactive video distribution system of Hooks et al. to include the Television distribution system for signal substitution of Cowan et al. in order to provide a market research signal substitution system which accurately represents the demographics of the community being served and which avoids the problems, costs and user resistance of an individually addressed arrangement (col. 2 lines 12-16).

**As per claim 37,** Hooks et al. discloses all the elements of the claimed invention as described in claim 34, but is silent wherein the video server records one copy of a given program for each local advertising zone that the video distribution system services.

Cowan et al. teaches in col. 6 lines 48-50 the selection of a test group, e.g. A, for a new (substitute) advertisement, while another group, e.g., B, can be selected as a control group which receives normal signals rather than the new substitute advertisement.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the interactive video distribution system of Hooks et al. to include the Television distribution system for signal substitution of Cowan et al. in order to provide a market research signal substitution system which accurately represents the demographics of the community being served and which avoids the problems, costs and user resistance of an individually addressed arrangement (col. 2 lines 12-16).

**As per claim 38,** Hooks et al. discloses all the elements of the claimed invention as described in claim 37, but is silent wherein the video server segments local advertising out of each program and marks the segmented local advertising with a zone identifier.

Cowan et al. teaches in col. 4 lines 35-40 that substitute advertising can then be determined by comparing consumer purchase data collected from selected stores associated with zones receiving the substitute advertising with consumer data collected from selected stores associated with zones receiving normal advertising.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the interactive video distribution system of Hooks et al. to include the Television distribution system for signal substitution of Cowan et al. in order to provide a market research signal substitution system which accurately represents the demographics of the community being served and which avoids the problems, costs and user resistance of an individually addressed arrangement (col. 2 lines 12-16).

**As per claim 39**, Hooks et al. discloses all the elements of the claimed invention as described in claim 38, but is silent wherein the video server collects a zone identifier for the zone in which the client resides.

Cowan et al. teaches in col. 4 lines 35-40 that substitute advertising can then be determined by comparing consumer purchase data collected from selected stores associated with zones receiving the substitute advertising with consumer data collected from selected stores associated with zones receiving normal advertising.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the interactive video distribution system of Hooks et al. to include the Television distribution system for signal substitution of Cowan et al. in order to provide a market research signal substitution system which accurately represents the demographics of the community being served and which avoids the problems, costs and user resistance of an individually addressed arrangement (col. 2 lines 12-16).

**As per claim 40**, Hooks et al. discloses all the elements of the claimed invention as described in claim 37 and further discloses wherein the video server segments the local advertising by identifying indicators for the local advertising (col. 10 lines 7-12 and figures 1 and 6 via while computer 58 of head end facility 54 is generating an entry in menu database 79, full-motion program 36 continues to be transmitted from the video switch element of video server 60).

**As per claim 43**, Hooks et al. discloses a method for delivering local advertising to a client in a video distribution system (col. 1 lines 6-10 via delivering advertising through an interactive video distribution system),

but is silent regarding the method comprising:  
receiving multiple zoned copies of a given program, each zoned copy containing proper local advertising for a given zone; recording a properly zoned copy of a given program for each zone the video distribution system services; determining the zone in which the client requesting a program is located; and transmitting a properly zoned copy of the requested program to the client.

Cowan et al. teaches in col. 4 lines 35-40 that substitute advertising can then be determined by comparing consumer purchase data collected from selected stores associated with zones receiving the substitute advertising with consumer data collected from selected stores associated with zones receiving normal advertising.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the interactive video distribution system of Hooks et al. to include the Television distribution system for signal substitution of Cowan et al. in order to provide a market research signal substitution system which accurately represents the demographics of the community being served and which avoids the problems, costs and user resistance of an individually addressed arrangement (col. 2 lines 12-16).

**As per claim 44**, Hooks et al. discloses all the elements of the claimed invention as described in claim 43, but is silent about receiving a request for a program from the client; and selecting the properly zoned copy of the requested program.

Cowan et al. teaches in col. 4 lines 35-40 that substitute advertising can then be determined by comparing consumer purchase data collected from selected stores associated with zones receiving the substitute advertising with consumer data collected from selected stores associated with zones receiving normal advertising.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the interactive video distribution system of Hooks et al. to include the Television distribution system for signal substitution of Cowan et al. in order to provide a market research signal substitution system which accurately represents the demographics of the community being served and which avoids the problems, costs and user resistance of an individually addressed arrangement (col. 2 lines 12-16).

**As per claim 45**, Hooks et al. a method for delivering local advertising to a client in a video distribution system (col. 1 lines 9-10 via delivering advertising through an interactive video distribution system), the method comprising:

creating a playlist with an identifiers for a given program and one or more national advertisements (col. 4 lines 9-12 and figures 2 and 3 via editing facility 28 generates advertisements or receives pre-recorded advertisements which are inserted into the original program during predetermined breaks in the original program);

delivering the playlist to a video server (col. 6 lines 50-53 and figure 1 via after medium 30 has been prepared, it may be stored until needed by a head end facility 54 of interactive video distribution system 20);

but is silent regarding determining the zone in which a requesting client resides; adding identifiers for one or more local advertisements to the playlist on the basis of the determined zone.

Cowan et al. teaches in col. 4 lines 35-40 that substitute advertising can then be determined by comparing consumer purchase data collected from selected stores associated with zones receiving the substitute advertising with consumer data collected from selected stores associated with zones receiving normal advertising.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the interactive video distribution system of Hooks et al. to include the television distribution system for signal substitution of Cowan et al. in order to provide a market research signal substitution system which accurately represents the demographics of the community being served and which avoids the problems, costs and user resistance of an individually addressed arrangement (col. 2 lines 12-16).

**As per claim 46**, Hooks et al. discloses all the elements of the claimed invention as described in claim 45 and further discloses the video server transmitting data identified in the playlist to a client for decoding and display (col. 8 lines 50-53 and figures 1, 2 and 3 via head end facility 54 proceeds to transmit full-motion program 36 through video server 60).

**As per claim 47**, Hooks et al. discloses all the elements of the claimed invention as described in claim 45, but is silent regarding calculating the zone in which a client resides; and selecting the proper local advertising for the zone in which the client resides.

Cowan et al. teaches in col. 4 lines 35-40 that substitute advertising can then be determined by comparing consumer purchase data collected from selected stores associated with zones receiving the substitute advertising with consumer data collected from selected stores associated with zones receiving normal advertising.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the interactive video distribution system of Hooks et al. to include the Television distribution system for signal substitution of Cowan et al. in order to provide a market research signal substitution system which accurately represents the demographics of the community being served and which avoids the problems, costs and user resistance of an individually addressed arrangement (col. 2 lines 12-16).

**As per claim 48,** Hooks et al. discloses all the elements of the claimed invention as described in claim 45, but is silent about receiving a copy of a given program for each zone that the video distribution system services; segmenting the received program into program content, national advertising and local advertising; and discarding all but one copy of zoned programming with program content and national advertising.

Cowan et al. teaches in col. 4 lines 35-40 that substitute advertising can then be determined by comparing consumer purchase data collected from selected stores associated with zones receiving the substitute advertising with consumer data collected from selected stores associated with zones receiving normal advertising.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the interactive video distribution system of Hooks et al. to include the Television distribution system for signal substitution of Cowan et al. in order to provide a market research signal substitution system which accurately represents the demographics of the community being served and which avoids the problems, costs and user resistance of an individually addressed arrangement (col. 2 lines 12-16).

**As per claim 49,** Hooks et al. discloses a method for delivering local advertising to a client in a video distribution system (col. 1 lines 9-10 via delivering advertising through an interactive video distribution system), and delivering the playlist to a video server (col. 6 lines 50-53 and figure 1 via after medium 30 has been prepared, it may be stored until needed by a head end facility 54 of interactive video distribution system 20), but is silent regarding the method comprising:

receiving a copy of a given program for each zone that the video distribution system services; segmenting the program into program content, national advertising and local advertising; retaining the program content and discarding the national and local advertising; receiving a request for the program from a client in a given zone; creating a playlist identifying the programming content; calculating the program advertising zone in which the requesting client resides; adding identifiers for advertising to the playlist on the basis of the zone in which the client resides.

Cowan et al. teaches in col. 4 lines 35-40 that substitute advertising can then be determined by comparing consumer purchase data collected from selected stores associated with zones receiving the substitute advertising with consumer data collected from selected stores associated with zones receiving normal advertising.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the interactive video distribution system of Hooks et al. to include the Television distribution system for signal substitution of Cowan et al. in order to provide a market research signal substitution system which accurately represents the demographics of the community being served and which avoids the problems, costs and user resistance of an individually addressed arrangement (col. 2 lines 12-16).

**As per claim 52**, Hooks et al. discloses all the elements of the claimed invention as described in claim 51, but is silent regarding updating local advertising information.

Cowan et al. teaches in col. 1 lines 14-17 the presentation of selected information to viewers of targeted television programming and the accumulation of responses from those viewers.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the interactive video distribution system of Hooks et al. to include the television distribution system for signal substitution of Cowan et al. in order to provide a market research signal substitution system which accurately represents the demographics of the community being served and which avoids the problems, costs and user resistance of an individually addressed arrangement (col. 2 lines 12-16).

**As per claim 53**, Hooks et al. discloses all the elements of the claimed invention as described in claim 51, but is silent regarding updating national advertising information.

Cowan et al. teaches in col. 1 lines 14-17 the presentation of selected information to viewers of targeted television programming and the accumulation of responses from those viewers.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the interactive video distribution system of Hooks et al. to include the Television distribution system for signal substitution of Cowan et al. in order to provide a market research signal substitution system which accurately represents the demographics of the community being served and which avoids the problems, costs and user resistance of an individually addressed arrangement (col. 2 lines 12-16).

**15. Claims 32 and 41 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hooks et al. (US 6169542 B1) in view of Liga et al. (US 20030154128 A1).**

**As per claim 32,** Hooks et al. discloses all the elements of the claimed invention as described in claim 31, but is silent wherein identifying is conducted according to one or more of the set consisting of SCTE 35 cue packets, DTMF cues, contact closures triggered by an analog signal, network messages from an insertion system and network messages from a stat- mux/splicer.

Liga et al. teaches on pg. 2 par. 23 lines 10-13 that embedded data may be transmitted as separate data packets in the data stream comprising the video signal, or in network signals such as Society of Cable Telecommunications Engineers (SCTE) standards, such as the DVS 253 standard for cueing advertisements. Liga et al. also teaches on pg. 7 par. 82 lines 1-7 detecting advertisements either by receiving the embedded data, or receiving a signal indicating the cessation of the program and beginning of an advertisement, where this signal may be, for example, a dual-tone frequency modulated (DTMF) signal, a DVS 253 or 380 signal, or any form of embedded command data of an analog or digital nature. Liga et al. also teaches in figure 3 and on pg. 4 par. 42 lines 9-11 that once modulated, the digital signals are combined with standard network channel broadcasts by the multiplexor 340

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the interactive video distribution system of Hooks et al. to include the method and system for displaying updated, targeted, and/or alternately formatted advertisements to a consumer of Liga et al. in order to use targeted ads in conjunction with consumer profile information to reach interested consumers (abstract lines 3-4).

**As per claim 41**, Hooks et al. discloses all the elements of the claimed invention as described in claim 40, but is silent wherein the indicators are selected from the set consisting of SCTE 35 cue packets, DTMF cues, contact closures triggered by an analog signal, network messages from an insertion system and network messages from a stat-mux/splicer.

Liga et al. teaches on pg. 2 par. 23 lines 10-13 that embedded data may be transmitted as separate data packets in the data stream comprising the video signal, or in network signals such as Society of Cable Telecommunications Engineers (SCTE) standards, such as the DVS 253 standard for cueing advertisements. Liga et al. also teaches on pg. 7 par. 82 lines 1-7 detecting advertisements either by receiving the embedded data, or receiving a signal indicating the cessation of the program and beginning of an advertisement, where this signal may be, for example, a dual-tone frequency modulated (DTMF) signal, a DVS 253 or 380 signal, or any form of embedded command data of an analog or digital nature. Liga et al. also teaches in figure 3 and on pg. 4 par. 42 lines 9-11 that once modulated, the digital signals are combined with standard network channel broadcasts by the multiplexor 340

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the interactive video distribution system of Hooks et al. to include the method and system for displaying updated, targeted, and/or alternately formatted advertisements to a consumer of Liga et al. in order to use targeted ads in conjunction with consumer profile information to reach interested consumers (abstract lines 3-4).

***Conclusion***

16. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure includes:

Schlack et al. (US 7260823 B2) teaches profiling a television viewer by monitoring and processing, locally at a television viewing environment, the viewer's interactivity.

Matz et al. (US 7212979 B1) teaches systems and methods for identifying a desirable subscriber by utilizing past subscriber content choices as well as subscriber.

Dravida et al. (US 7146630 B2) teaches a broadband system with intelligent network devices.

Plotnick et al. (US 20050097599 A1) teaches presenting viewers with an alternative brief version of a recorded advertisement when they choose to fast-forward through or skip (or any other trick play event) the recorded advertisement.

Hord et al. (US 20040034874 A1) teaches a system for presenting advertisements to a user during video presentations.

Nathaniel (US 20030130887 A1) teaches a method for scheduling delivery of items of content to a plurality of network devices.

Krapf et al. (US 20030074661 A1) teaches a personal video recorder and method for inserting a stored advertisement into a displayed broadcast stream.

Lewis (US 20030040962 A1) teaches the system and data management and on-demand rental and purchase of digital data products.

Abramov et al. (US 20030007516 A1) teaches a system and method for the application of a statistical multiplexing algorithm for video encoding.

Plotnick et al. (US 20020184047 A1) teaches a universal ad queue (UAQ) that provides an ordered list for the display of ads to the subscribers, where the ordered list may vary based on time, channel, program, previous ads, and subscriber type.

Plotnick et al. (US 20020178447 A1) teaches behavioral targeted advertising.

Rosenberg et al. (US 20020090198 A1) teaches a method and system for types of ad placement opportunities in a digital video stream.

Fein et al. (US 5897623 A) teaches an interface method for providing information about items on a list for interactive television.

Diehl et al. (US 5659653 A) teaches a method for programming a recording device and programming device.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to ADAM CHORNESKY whose telephone number is (571)270-5103. The examiner can normally be reached on Monday - Thursday 7:30 AM - 5:00 PM EST.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Lynda Jasmin can be reached on 571-270-3033. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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